

# Olympic Entertainment Group AS

## Consolidated interim financial statements for the Q3 and 9 months of 2015 (unaudited)

(translation of the Estonian original)\*

Beginning of reporting period	1 January 2015
End of reporting period	30 September 2015
Business name	Olympic Entertainment Group AS
Registration number	10592898
Address	Pronksi 19, Tallinn 10124
Telephone	+372 667 1250
Fax	+372 667 1270
E-mail	info@oc.eu
Website	<a href="http://www.olympic-casino.com">www.olympic-casino.com</a>
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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\*This version of consolidated interim financial statements is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of consolidated interim financial statements takes precedence over this translation.

## Table of Contents

Table of Contents .....	2
Corporate profile.....	3
Declaration of the management .....	5
Management report.....	6
Overview of the economic activities .....	6
Description of main risks.....	13
Management and Supervisory Boards.....	14
Shares of Olympic Entertainment Group AS .....	15
Consolidated interim financial statements .....	17
Consolidated statement of financial position .....	17
Consolidated statement of comprehensive income .....	18
Consolidated statement of cash flows.....	19
Consolidated statement of changes in equity.....	20
Notes to the consolidated interim financial statements.....	21
Note 1 Summary of significant accounting policies .....	21
Note 2 Seasonality of operations .....	21
Note 3 Investment property.....	21
Note 4 Property, plant and equipment .....	21
Note 5 Intangible assets .....	22
Note 6 Borrowings.....	22
Note 7 Equity.....	22
Note 8 Segment reporting.....	23
Note 9 Transactions with related parties .....	24

## Corporate profile

Olympic Entertainment Group AS with its subsidiaries (hereinafter the “Group”) is the leading provider of gaming services in the Baltic States (Estonia, Latvia and Lithuania), and operates casinos in Poland, Slovakia, Belarus and Italy.

Olympic Entertainment Group AS is the Group’s ultimate holding company, organising the strategic management and financing of the Group. The operations of local casinos are controlled by local subsidiaries which include Olympic Casino Estonia AS in Estonia, Olympic Casino Latvia SIA in Latvia, Olympic Casino Group Baltija UAB in Lithuania, Casino Polonia-Wroclaw Sp. z o.o. in Poland, Olympic Casino Slovakia S.r.o. and OlyBet Slovakia S.r.o. in Slovakia, Olympic Casino Bel IP in Belarus and Jackpot Game S.r.l. and Slottery S.r.l. in Italy. Most of the Group’s casino properties operate under the trademark of Olympic Casino.

The shares of Olympic Entertainment Group AS are listed on the Tallinn and Warsaw Stock Exchanges (OMX: OEG1T / WSE: OEG).

As at 30 September 2015, the Group had a total of 97 casinos. The Group operates 20 casinos in Estonia, 37 in Latvia, 18 in Lithuania, 1 in Poland, 7 in Slovakia, 2 in Belarus and 12 in Italy. The Group employed 2,636 employees in 7 countries.

Group entities include:

	Domicile	Ownership 30.09.2015	Ownership 31.12.2014	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu OÜ	Estonia	100%	100%	Bar services
Kesklinna Hotelli OÜ	Estonia	100%	100%	Hotel real estate development
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	100%	100%	Hotel operations
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	99%	99%	Gaming services
Ahti SIA	Latvia	100%	100%	Bar services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp. z o.o.	Poland	80%	80%	Gaming services
Olympic Casino Slovakia S.r.o	Slovakia	100%	100%	Gaming services
OlyBet Slovakia S.r.o.	Slovakia	100%	100%	Gaming services
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Gaming services
The Box S.r.l.	Italy	70%	70%	Gaming services
Jackpot Game S.r.l.	Italy	70%	70%	Gaming services
Slottery S.r.l.	Italy	70%	70%	Gaming services
Siquia Holding B.V.	Holland	95%	95%	Holding activities
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gameteck Services Ltd	Jersey	100%	100%	Software services
Brandhouse Ltd	Jersey	100%	100%	Holding activities
OEG Malta Holding Ltd	Malta	100%	0%	Holding activities
OEG Malta Gaming Ltd	Malta	100%	0%	Holding activities

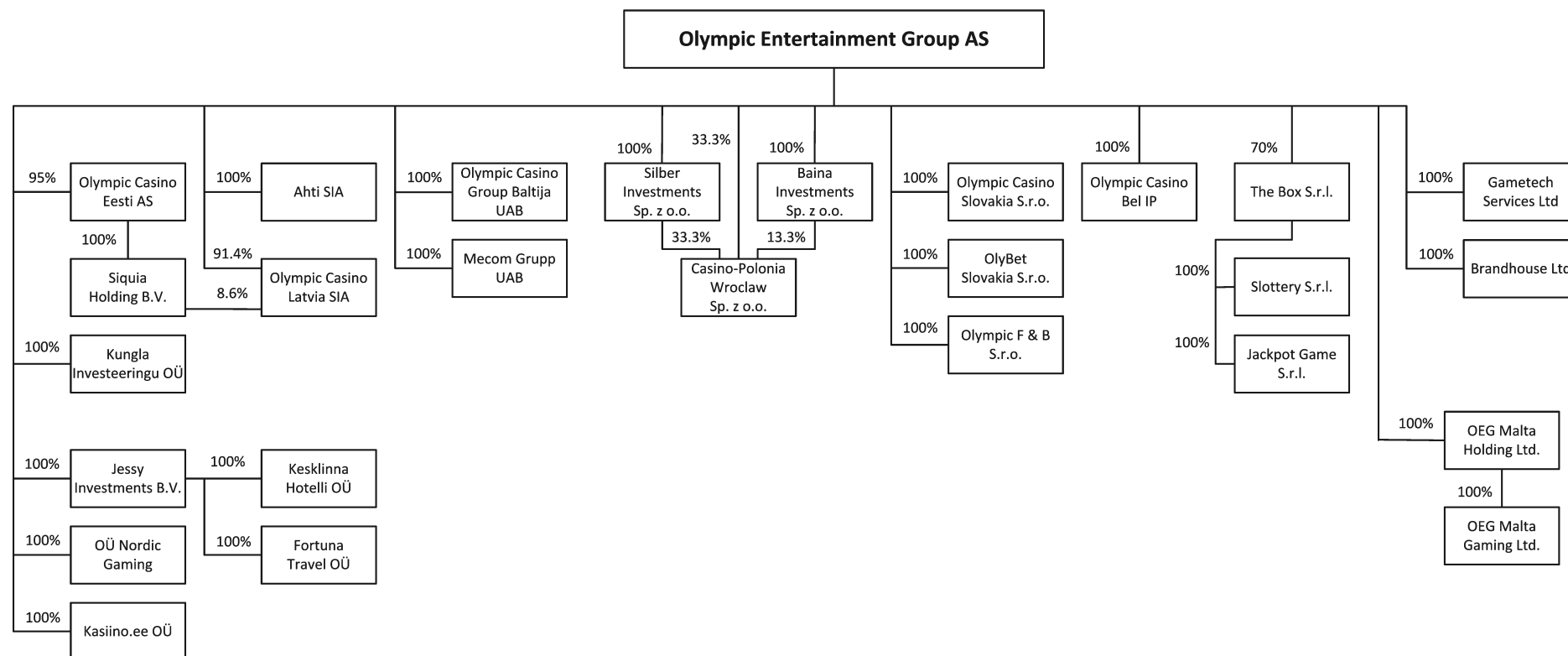
### Our vision

Our vision is to be a global casino and resort operator, best known for our excellent service and creative design.

### Our mission

To give our guests a customer orientated, secure and safe environment with the finest design and craftsmanship, unparalleled in the industry and supported by the excellence of our name and reputation.

Group's structure at 30 September 2015



## Declaration of the management

The members of the management confirm that according to their best knowledge, the interim financial statements, prepared in accordance with the accounting standards in force, give a true and fair view of the assets, liabilities, financial position and profit or loss of Olympic Entertainment Group AS and the Group entities involved in the consolidation as a whole, and the management report gives a true and fair view of the development and results of the business activities and financial position of Olympic Entertainment Group AS and the Group entities involved in the consolidation as a whole and contains a description of the main risks and doubts.



Madis Jäger  
Chairman of the Management Board



Meelis Pielberg  
Member of the Management Board

27 October 2015

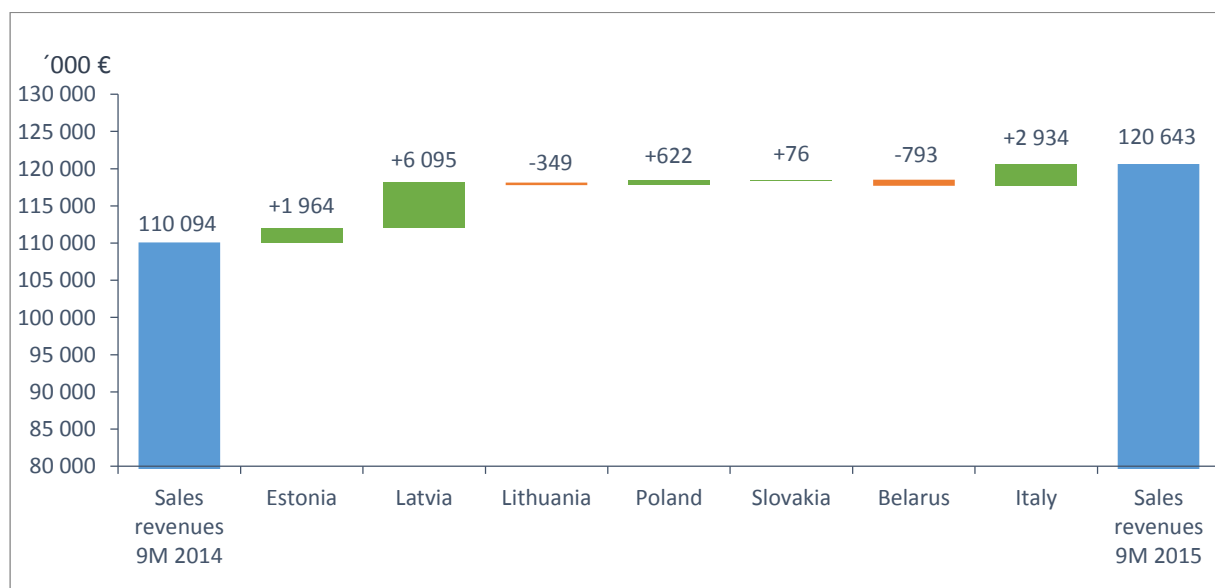
## Management report

### Overview of the economic activities

#### Key developments of the Group during the 9 months of 2015:

- The Group's consolidated sales revenues for 9 months 2015 amounted to EUR 120.6 million, up 9.6% or EUR 10.5 million y-o-y.
- Gaming revenues accounted for 93.9% (113.3 m€) and other revenues for 6.1% (7.3 m€) of the Group's consolidated sales revenues for 9 months 2015. A year before the revenue split was 94.0% (103.5 m€) and 6.0% (6.6 m€), respectively.
- The Group's consolidated EBITDA for 9 months 2015 amounted to EUR 29.2 million, a growth of 8.0% from EUR 27.1 million a year before. The Group's consolidated operating profit increased EUR 2.5 million (+12.0%) to EUR 23.3 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for 9 months 2015 totalled EUR 19.6 million compared to EUR 17.2 million a year ago.
- On 14 January 2015 Olympic Entertainment Group AS has established subsidiaries OEG Malta Holding Ltd and OEG Malta Gaming Ltd in Malta. OEG Malta subsidiary has concluded an agreement for providing casino management services and related service to Maltese company Casino Malta Limited and associated companies.
- Group company Olympic Casino Eesti AS has acquired on 4 March 2015 business activities of two operating casinos from the Estonian casino operator Casino Cleopatra OÜ that increases the number of casinos Group owns in Estonia to 20.
- The general meeting of shareholders held on 16 April 2015 has decided to pay out dividends in amount of EUR 15,179,120.60 that were paid out to shareholders on 4 May 2015.
- Group company Olympic Casino Latvia SIA signed on 24 July 2015 the agreement to acquire 100% shareholding in Latvian casino operator SIA Garkalns, which is also the 100% owner of the subsidiary SIA Post-Nevada. The purpose of the acquisition is to increase the market share in Latvia. The completion of the transaction is dependent on the ordinary conditions, including the approval from the Latvian Competition Council. On the completion of the transaction Group will own 57 casinos in Latvia.
- Group company Jackpot Game S.r.l. has acquired on 30 July 2015 business activity of operating two VLT slot casinos from the Italian VLT casino operator Pasquale Di Gaetano - Judica Concetta and sons sas. The purpose of the acquisition is to increase the market share in Italy. On the completion of the transaction OEG will own 14 VLT slot casinos in Italy.
- On 31 August 2015 Group company Kesklinna Hotelli OÜ and Swedbank AS concluded a loan agreement with the loan limit of EUR 25,000,000. Loan will be used for financing construction of the Hilton Tallinn Park hotel.

#### The Group's consolidated sales revenue bridge by segments:



**The Group's consolidated sales revenues by segments:**

'000€	Q3 2015	Q3 2014	Change	9M 2015	9M 2014	Change
Estonia	8,804	8,005	10.0%	26,216	24,252	8.1%
Latvia	14,598	12,874	13.4%	40,651	34,556	17.6%
Lithuania	5,190	5,623	-7.7%	15,979	16,328	-2.1%
Poland	4,745	5,269	-9.9%	18,084	17,462	3.6%
Slovakia	3,921	3,914	0.2%	11,726	11,650	0.7%
Belarus	169	483	-65.0%	656	1,449	-54.7%
Italy	2,506	1,934	29.6%	7,331	4,397	66.7%
<b>Total</b>	<b>39,933</b>	<b>38,102</b>	<b>4.8%</b>	<b>120,643</b>	<b>110,094</b>	<b>9.6%</b>

**Share of segments in the Group's sales revenues:**

At the end of September 2015, the Group had 97 casinos with total floor area of 30,343 m<sup>2</sup> (-1,776 m<sup>2</sup>).

**Number of casinos by segment:**

	30 September 2015	30 September 2014
Estonia	20	18
Latvia	37	37
Lithuania	18	15
Poland	1	2
Slovakia	7	7
Belarus	2	6
Italy	12	12
<b>Total</b>	<b>97</b>	<b>97</b>

The Group's consolidated operating expenses for 9 months 2015 amounted to EUR 97.8 million, up 9.1% or EUR 8.2 million y-o-y. The growth was highest in personnel expenses (+3.7 m€, +12.9%), gaming tax (+1.1 m€, +5.3%), marketing expenses (+1.0 m€, +15.8%), rent expenses (+0.5 m€, +5.6%) and other services costs (+1.9 m€, +14.1%). Amortisation and depreciation cost declined the most (-0.3 m€, -5.2%). Personnel expenses (32.2 m€) and gaming tax (22.3 m€) represented the largest cost items accounting for 55.8% of total operating expenses.



**Key performance indicators of the Group**

		<b>9M 2015</b>	<b>9M 2014</b>	<b>9M 2013</b>
Revenues	m€	121.0	110.4	105.9
Gaming tax	m€	22.3	21.2	21.4
EBITDA	m€	29.2	27.1	28.6
EBIT	m€	23.3	20.8	22.7
Net profit	m€	19.6	17.2	18.3
EBITDA margin	%	24.1	24.5	27.1
Operating margin	%	19.2	18.8	21.4
Net margin	%	16.2	15.6	17.3
Assets	m€	135.3	120.7	108.9
Equity	m€	115.0	105.0	94.1
ROE	%	18.8	18.2	21.4
ROA	%	15.3	15.0	16.1
Current ratio	times	2.5	2.9	3.1
Casinos at end of period	#	97	97	83
Casino floor area at end of period	m <sup>2</sup>	30,343	32,119	27,230
Employees	#	2,636	2,621	2,534
Slot machines at end of period	#	3,388	3,481	3,052
Gaming tables at end of period	#	188	193	188

## Underlying formulas:

- EBITDA = earnings before financial expenses, taxes, depreciation and amortisation and impairment losses
- Operating profit = profit before financial expenses and taxes
- Net profit = net profit for the period less non-controlling interests
- EBITDA margin = EBITDA / revenue
- Operating margin = operating profit / revenue
- Net margin = net profit / revenue
- ROE = net profit / average total equity attributable to the shareholders of the parent company
- ROA = net profit / average total assets
- Current ratio = current assets / current liabilities



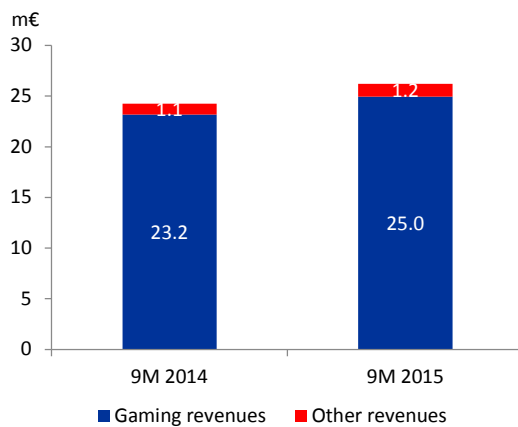
## Overview by markets

### Estonia

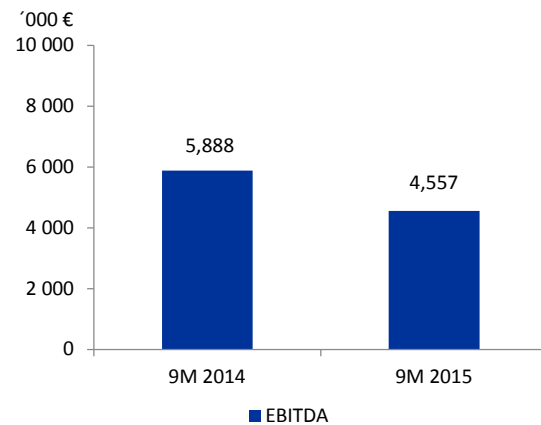
The sales revenues of Estonian segment for 9 months 2015 amounted to EUR 26.2 million (+1.9 m€, +8.1%), EBITDA to EUR 4.6 million (-1.3 m€, -22.6%) and operating profit to EUR 3.1 million (-1.5 m€, -32.2%). Gaming revenue increased 7.7% y-o-y amounting to EUR 25.0 million.

At the end of September 2015, there were 20 Olympic casinos with 817 slot machines and 20 gaming tables operating in Estonia. As at 30 September 2015, the Estonian operations employed 507 people.

#### Sales revenues



#### EBITDA

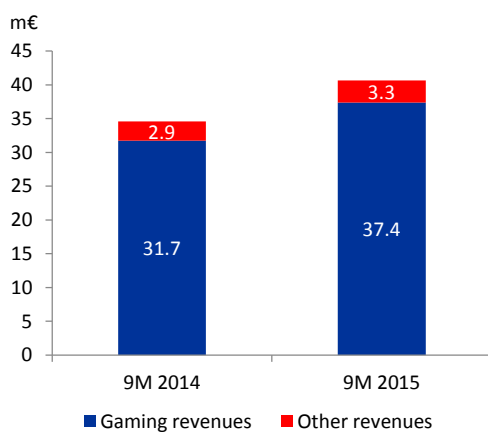


### Latvia

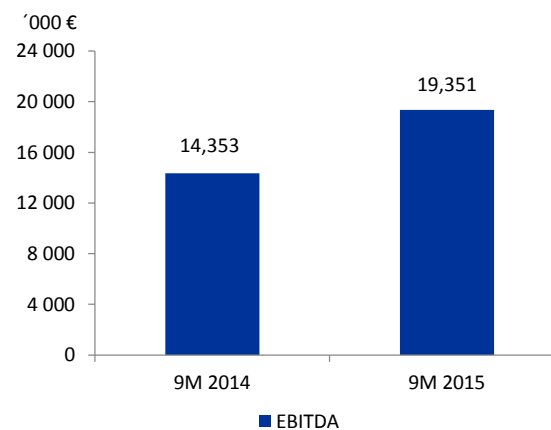
The sales revenues of Latvian segment for 9 months 2015 amounted to EUR 40.7 million (+6.1 m€, +17.6%), EBITDA to EUR 19.4 million (+5.0 m€, +34.8%) and operating profit to EUR 17.2 million (+5.3 m€, +44.1%). Gaming revenue increased 17.9% y-o-y amounting to EUR 37.4 million.

At the end of September 2015, there were 37 Olympic casinos with 1,066 slot machines and 19 gaming tables operating in Latvia. As at 30 September 2015, the Latvian operations employed 695 people.

#### Sales revenues



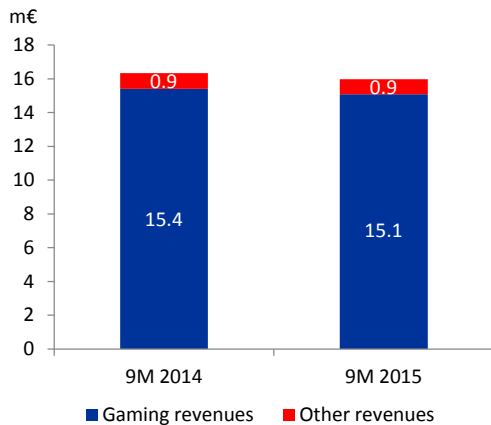
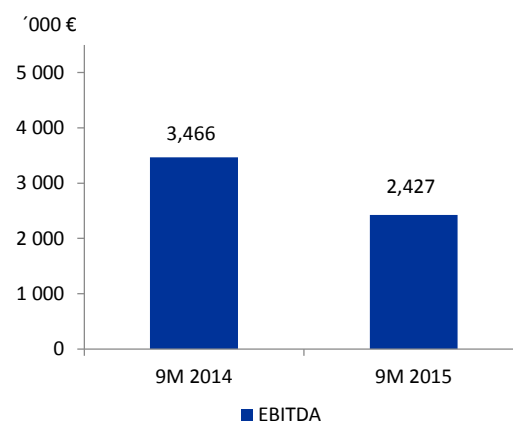
#### EBITDA



**Lithuania**

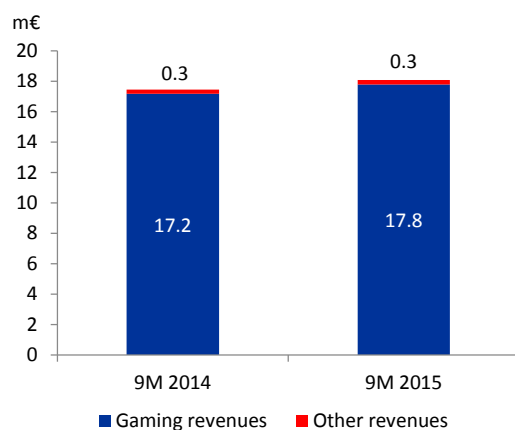
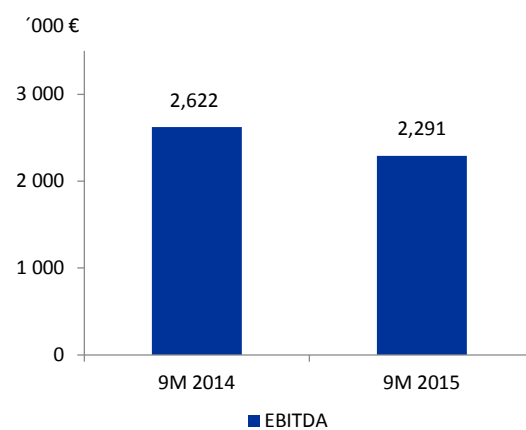
The sales revenues of Lithuanian segment for 9 months 2015 amounted to EUR 16.0 million (-0.3 m€, -2.1%), EBITDA to EUR 2.4 million (-1.0 m€, -30.0%) and operating profit to EUR 1.6 million (-1.0 m€, -37.5%). Gaming revenue decreased 2.0% y-o-y amounting to EUR 15.1 million.

At the end of September 2015, there were 18 Olympic casinos with 557 slot machines and 64 gaming tables operating in Lithuania. As at 30 September 2015, the Lithuanian operations employed 726 people.

**Sales revenues****EBITDA****Poland**

The sales revenues of Polish segment for 9 months 2015 amounted to EUR 18.1 million (+0.6 m€, +3.6%), EBITDA to EUR 2.3 million (-0.3 m€, -12.6%) and operating profit to EUR 1.8 million (-0.3 m€, -12.7%). Gaming revenue increased 3.5% y-o-y amounting to EUR 17.8 million.

At the end of September 2015, there was 1 Olympic casino with 145 slot machines and 29 gaming tables operating in Poland. As at 30 September 2015, the Polish operations employed 254 people.

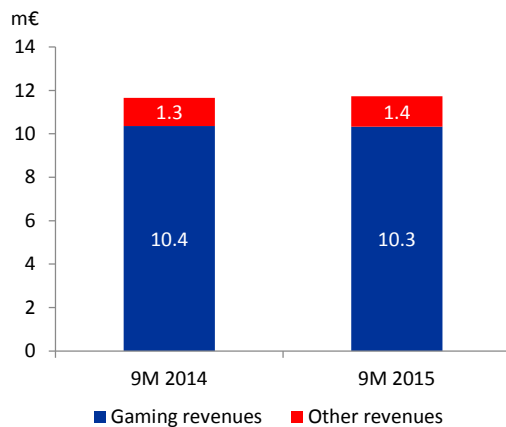
**Sales revenues****EBITDA**

### Slovakia

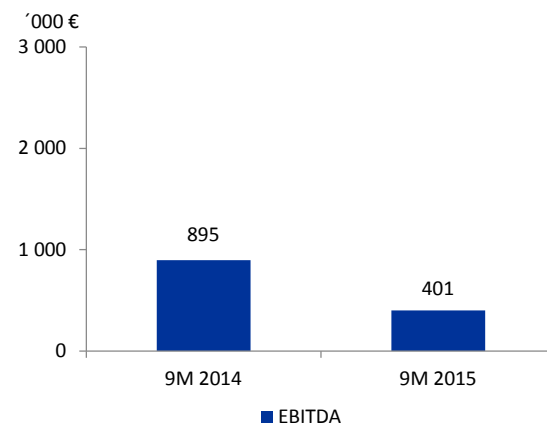
The sales revenues of Slovak segment for 9 months 2015 amounted to EUR 11.7 million (+0.0 m€, +0.7%), EBITDA to EUR 0.4 million (-0.5 m€, -55.2%) and operating loss to EUR -0.4 million (-0.4 m€, -1,089.4%). Gaming revenue decreased 0.1% y-o-y amounting to EUR 10.3 million.

At the end of September 2015, there were 7 Olympic casinos with 291 slot machines and 56 gaming tables operating in Slovakia. As at 30 September 2015, the Slovak operations employed 342 people.

#### Sales revenues



#### EBITDA

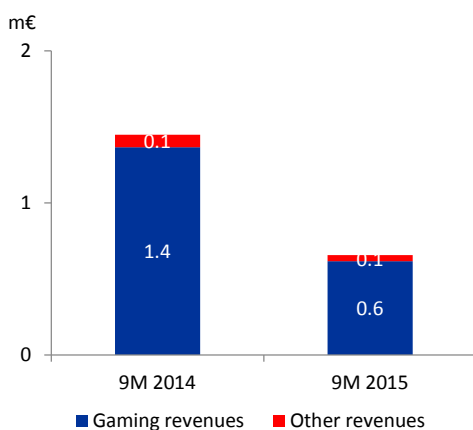


### Belarus

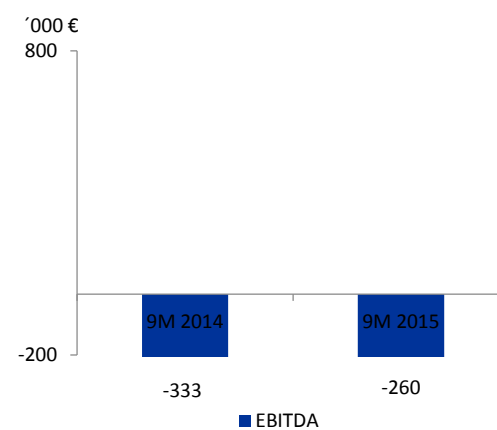
The sales revenues of Belarusian segment for 9 months 2015 amounted to EUR 0.7 million (-0.8 m€, -54.8%), EBITDA to EUR -0.3 million (+0.1 m€, -21.9%) and operating loss to EUR -0.3 million (+0.2 m€, -36.8%). Gaming revenue decreased 54.9% y-o-y amounting to EUR 0.6 million.

At the end of September 2015, there were 2 Olympic casinos with 74 slot machines operating in Belarus. As at 30 September 2015, the Belarusian operations employed 54 people.

#### Sales revenues



#### EBITDA

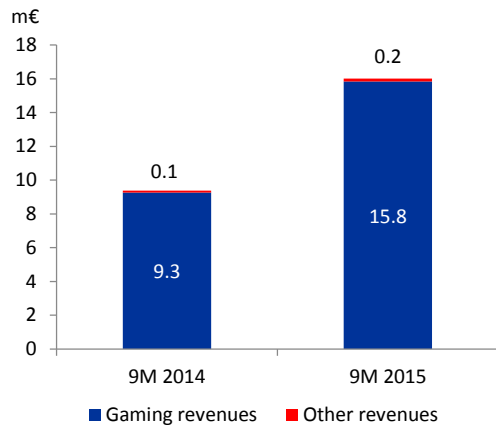


### Italy

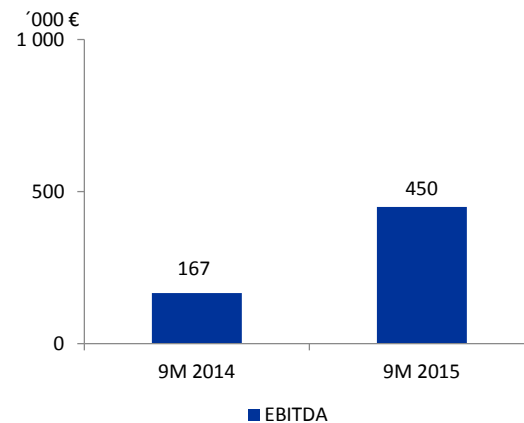
The sales revenues of Italian segment before deducting the gaming tax of Italy for 9 months 2015 amounted to EUR 16.0 million (+6.6 m€, +70.9%), EBITDA to EUR 0.5 million (+0.3 m€, +170.3%) and operating profit to EUR 0.1 million (+0.2 m€, -210.8%).

At the end of September 2015, there were 12 VLT slot casinos with 438 slot machines operating in Italy. As at 30 September 2015, the Italian operations employed 58 people.

#### Sales revenues



#### EBITDA



### Financial position

As at 30 September 2015, the total assets of the Group amounted to EUR 135.3 million, up 12.1% or EUR 14.6 million compared to the same period a year ago.

Current assets totalled EUR 42.9 million or 31.7% of total assets, and non-current assets EUR 92.4 million or 68.3% of total assets. The liabilities amounted to EUR 20.3 million and equity to EUR 115.0 million. The largest liabilities included suppliers payables and advances (6.0 m€), tax liabilities (4.4 m€) and payables to employees (3.6 m€).

### Investments

In 9 months 2015, the Group's expenditures on property, plant and equipment totalled EUR 18.7 million (+4.7 m€, +33.4%), of which EUR 3.9 million was invested into new gaming equipment (-1.6 m€, -29.7%) and EUR 14.4 million (+6.5 m€, +82.5%) into construction of hotel and construction and reconstruction of casinos.

### Cash flows

In 9 months 2015, the Group's cash flows generated from operating activities amounted to EUR 25.6 million (+3.1 m€, +13.6%) and cash flows used in investing activities to EUR -15.9 million (+2.7 m€). Financing cash flows amounted to EUR -13.5 million (+0.6 m€). Net cash flows totalled EUR -3.8 million (+6.3 m€).

### Staff

As at 30 September 2015, the Group employed 2,636 people, up by 15 y-o-y.

In 9 months 2015, total personnel expenses amounted to EUR 32.2 million (+3.7 m€, +12.9%). In 9 months 2015, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 620 thousand (EUR 623 thousand in 9 months 2014) and EUR 111 thousand (EUR 114 thousand in 9 months 2014), respectively.

## Description of main risks

The risk management policy of the Group is based on the requirements established by regulative bodies, generally accepted practices and internal regulations of the Group. The Group is guided by the principle to manage risks in a manner that ensures an optimal risk to income ratio. As part of the risk management of the Group, all potential risks, their measurement and control are defined, and an action plan is prepared to reduce risks, thereby ensuring the achievement of financial and other strategic objectives of the Group.

### Business risks

The macro-economic development of operated markets and related changes in the consumption habits of clients are the factors that influence the Group the most. To manage risks, the Group monitors and analyses the general development of markets and the activities of competitors, as a result of which the Group will adjust operational activities, including marketing activities, if necessary.

The gaming sector as a whole is significantly influenced by regulative changes and supervisory activities at the state and local level. The Group estimates that the regulative risk is managed by presence in seven different jurisdictions.

### Currency risk

The Group earns income in euros, Polish zloty, Belarusian rubles and until 31.12.2014 in Lithuanian litas. Most of the Group's expenses are incurred in these currencies in its operating markets. The changes in exchange rates of these currencies against the euro impact both the Group's revenues and expenses, as a result of which there is no major effect on the Group's operating profit.

Internal transactions of the Group are primarily concluded in euros. The equity of the Group is influenced by a change in the exchange rate of the Polish zloty and Belarusian ruble to the euro. The functional currencies of subsidiaries within the Group, the US dollar (USD) and the Swiss franc (CHF).

### Credit risk

The Group's settlements with clients are to a great extent immediately carried out in cash or by payment cards. The Group accepts banks with the credit rating of A and B where the most of the Group's funds have been deposited. Credit risk of the Group is related to cash, its equivalents and other positions of financial assets.

## Management and Supervisory Boards

The Management Board of Olympic Entertainment Group AS is comprised of two members. In the daily management activities, the Management Board of the Company is independent and is guided by the best interests of all shareholders, thereby ensuring sustainable development of the Company according to the set objectives and strategy. The Management Board also ensures the functioning of internal control and risk management procedures in the Company. The Supervisory Board of Olympic Entertainment Group AS elects members of the Management Board for a term of three years.



Madis Jääger – Chairman of the Management Board and CEO since 2012 (member of the Management Board since 2010). Madis Jääger graduated from Estonian Business School in 2002 with a degree in International Business Administration major in accounting and banking *cum laude*. Madis Jääger owns directly and through the companies controlled by him a total of 75,000 Company's shares.



Meelis Pielberg – member of the Management Board and head of casino operations since 2012. Meelis Pielberg graduated from Estonian Maritime Academy in 2000. Meelis Pielberg owns directly and through the companies controlled by him a total of 50,000 Company's shares.

The Supervisory Board of Olympic Entertainment Group AS is comprised of three members. The General Meeting of Shareholders of Olympic Entertainment Group AS elects members of the Supervisory Management Board for five years.

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company. He graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and through the companies controlled by him a total of 68,364,790 Company's shares.
- Jaan Korpusov – member of the Supervisory Board since 2006. Jaan Korpusov graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusov owns directly and through the companies controlled by him a total of 28,761,910 Company's shares.
- Liina Linsi – member of the Supervisory Board since 2006. Liina Linsi graduated from University of Tartu (law) in 1984 *cum laude*. Liina Linsi owns directly and through the companies controlled by her a total of 26,000 Company's shares.

## Shares of Olympic Entertainment Group AS

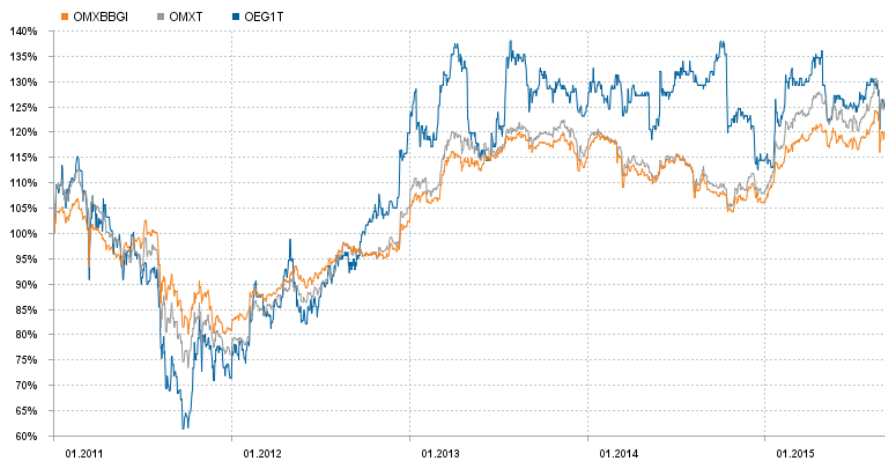
The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on Warsaw Stock Exchange. The Company's registered share capital is EUR 60,716,482.40. The share capital is divided into 151,971,206 ordinary shares with the book value of EUR 0.40 each.

ISIN	EE3100084021
Ticker symbol	OEG1T
Market	BALTIC MAIN LIST
Number of securities issued	151,791,206
Number of listed securities	151,791,206
Listing date	23 October 2006

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS during the period of 01 January 2011 – 30 September 2015:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2011 – 30 September 2015:

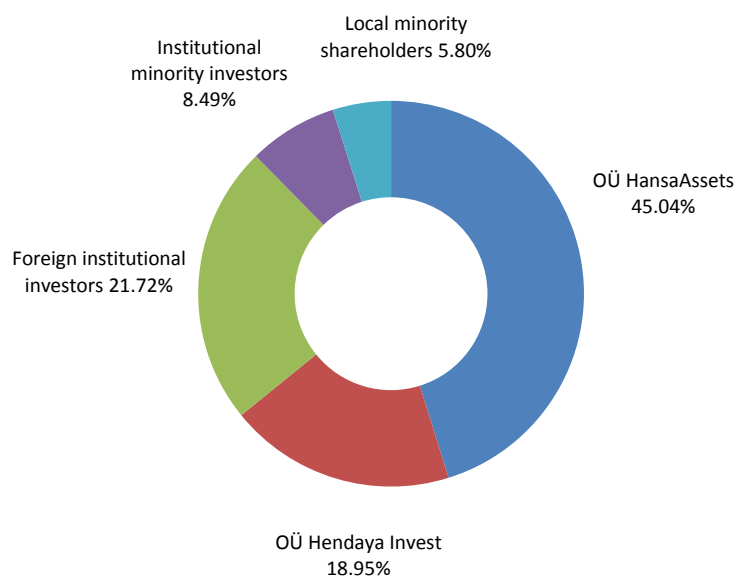


Index/share	1 Jan 2011	30 Sep 2015	+/-%
— OMX Baltic Benchmark GI	533.99	629.27	17.84
— OMX Tallinn	698.38	863.21	23.60
— OEG1T	1.485 EUR	1.780 EUR	19.87

**Largest shareholders of Olympic Entertainment Group AS at 30 September 2015:**

OÜ HANSAASSETS	45.04%
OÜ Hendaya Invest	18.95%
J.P. MORGAN BANK LUXEMBOURG S.A.	4.71%
NORDEA BANK FINLAND PLC, CLIENTS	2.28%
SKANDINAVISKA ENSKILDA BANKEN S.A.	2.01%
RBC INVESTOR SERVICES BANK / LUX-NON RESIDENTS / DOMESTIC RATE	1.39%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.38%
ING LUXEMBOURG S.A. AIF ACCOUNT	1.27%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION ON BEHALF OF US RESIDENTS	1.23%
Central Securities Depository of Lithuania	1.14%

**Structure of Olympic Entertainment Group AS shareholders as at 30 September 2015**





## Consolidated interim financial statements

### Consolidated statement of financial position

	Notes	30.09.2015	31.12.2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		36,373	40,117
Financial investments		1,045	1,108
Receivables and prepayments		3,652	3,276
Prepaid income tax		557	483
Inventories		1,266	1,163
Assets held for sale		0	1,016
<b>Total current assets</b>		<b>42,893</b>	<b>47,163</b>
<b>Non-current assets</b>			
Deferred tax assets		1,438	1,398
Financial investments		4,481	4,277
Other long-term receivables		491	688
Investment property	3	268	292
Property, plant and equipment	4	47,215	34,368
Intangible assets	5	38,531	38,045
<b>Total non-current assets</b>		<b>92,424</b>	<b>79,068</b>
<b>TOTAL ASSETS</b>		<b>135,317</b>	<b>126,231</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Borrowings	6	128	253
Trade and other payables		14,355	13,121
Income tax payable		633	741
Provisions		1,748	1,424
<b>Total current liabilities</b>		<b>16,864</b>	<b>15,539</b>
<b>Non-current liabilities</b>			
Borrowings		3,106	1,216
Deferred tax liability	6	374	272
<b>Total non-current liabilities</b>		<b>3,480</b>	<b>1,488</b>
<b>TOTAL LIABILITIES</b>		<b>20,344</b>	<b>17,027</b>
<b>EQUITY</b>			
Share capital		60,716	60,716
Share premium		258	258
Statutory reserve capital		3,574	2,495
Other reserves		247	0
Translation reserves		-1,202	-1,420
Retained earnings		45,164	41,816
<b>Total equity attributable to equity holders of the parent</b>		<b>108,757</b>	<b>103,865</b>
Non-controlling interest		6,216	5,339
<b>TOTAL EQUITY</b>		<b>114,973</b>	<b>109,204</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>135,317</b>	<b>126,231</b>

**Consolidated statement of comprehensive income**

	Notes	Q3 2015	Q3 2014	9M 2015	9M 2014
Income from gaming transactions	8	37,431	35,782	113,319	103,478
Revenue	8	2,502	2,320	7,324	6,616
Other income	8	113	37	388	288
<b>Total revenue and income</b>		<b>40,046</b>	<b>38,139</b>	<b>121,031</b>	<b>110,382</b>
Cost of materials, goods and services		-913	-866	-2,690	-2,383
Other operating expenses		-18,174	-17,632	-56,595	-52,085
Staff costs		-10,032	-9,253	-32,220	-28,543
Depreciation, amortisation and impairment	4;5	-2,024	-2,225	-5,955	-6,280
Other expenses		-122	-29	-308	-312
<b>Total operating expenses</b>		<b>-31,265</b>	<b>-30,005</b>	<b>-97,768</b>	<b>-89,603</b>
<b>Operating profit</b>		<b>8,781</b>	<b>8,134</b>	<b>23,263</b>	<b>20,779</b>
Interest income		10	16	41	57
Interest expense		-7	-9	-21	-20
Foreign exchange losses		5	0	20	-6
Other finance income and costs		-1	-1	-5	-2
<b>Total finance income and costs</b>		<b>7</b>	<b>6</b>	<b>35</b>	<b>29</b>
<b>Profit from operating activities</b>		<b>8,788</b>	<b>8,140</b>	<b>23,298</b>	<b>20,808</b>
Income tax expense		-748	-1,121	-2,896	-2,894
<b>Net profit for the period</b>		<b>8,040</b>	<b>7,019</b>	<b>20,402</b>	<b>17,914</b>
<i>Attributable to equity holders of the parent company</i>		<i>7,804</i>	<i>6,916</i>	<i>19,604</i>	<i>17,220</i>
<i>Attributable to non-controlling interest</i>		<i>236</i>	<i>103</i>	<i>798</i>	<i>694</i>
<b>Other comprehensive income</b>					
Currency translation differences		-29	22	218	107
<b>Total comprehensive profit for the period</b>		<b>8,011</b>	<b>7,041</b>	<b>20,620</b>	<b>18,021</b>
<i>Attributable to equity holders of the parent company</i>		<i>7,775</i>	<i>6,938</i>	<i>19,822</i>	<i>17,327</i>
<i>Attributable to non-controlling interest</i>		<i>236</i>	<i>103</i>	<i>798</i>	<i>694</i>
Basic earnings per share*	7	5.1	4.6	12.9	11.3
Diluted earnings per share*	7	5.1	4.6	12.9	11.3

\* euro cents

**Consolidated statement of cash flows**

	<b>Notes</b>	<b>9M 2015</b>	<b>9M 2014</b>
<b>Cash flows from operating activities</b>			
Net profit		20,402	17,914
Adjustments:			
Depreciation, amortisation and impairment	4;5	5,955	6,280
Profit / loss on disposal of non-current assets (net)		-213	49
Income tax expense		2,896	2,894
Other financial income and expenses (net)		-35	-29
Changes in working capital:			
Receivables and prepayments		-798	-468
Inventories		-103	-162
Liabilities and prepayments		557	-654
Interest paid		-4	-9
Corporate income tax paid		-3,032	-3,259
<b>Net cash generated from operating activities</b>		<b>25,625</b>	<b>22,556</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant, equipment and intangible assets		-16,612	-14,192
Proceeds from sale of property, plant, equipment		384	36
Proceeds from sale of investment property		24	300
Proceeds from disposal of assets held for sale		1,016	0
Purchase of financial investments		-75	-112
Acquisition of subsidiaries, net of cash acquired		0	-4,677
Acquisition of business activity		-750	0
Interest received		67	45
<b>Net cash used in from investing activities</b>		<b>-15,946</b>	<b>-18,600</b>
<b>Cash flows from financing activities</b>			
Issue of shares		0	184
Proceeds from loans received		2,000	1,078
Repayments of loans received	6	-190	-183
Repayments of finance leases		0	-1
Dividends paid		-15,268	-15,133
<b>Net cash used in financing activities</b>		<b>-13,458</b>	<b>-14,055</b>
<b>Net cash flows</b>		<b>-3,779</b>	<b>-10,099</b>
Cash and cash equivalents at beginning of the period		40,117	44,582
Exchange gains and losses on cash and cash equivalents		35	17
<b>Cash and cash equivalents at end of the period</b>		<b>36,373</b>	<b>34,500</b>

**Consolidated statement of changes in equity**

	Equity attributable to equity holders of the parent								Total equity
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	
<b>Balance at 01.01.2014</b>	<b>60,532</b>	<b>0</b>	<b>1,210</b>	<b>235</b>	<b>-1,204</b>	<b>36,782</b>	<b>97,555</b>	<b>4,416</b>	<b>101,971</b>
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>17,220</i>	<i>17,220</i>	<i>694</i>	<i>17,914</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>107</i>	<i>0</i>	<i>107</i>	<i>0</i>	<i>107</i>
Total comprehensive income for the period	0	0	0	0	107	17,220	17,327	694	18,021
<i>Increase of statutory reserve capital</i>	<i>0</i>	<i>0</i>	<i>1,285</i>	<i>0</i>	<i>0</i>	<i>-1,285</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Dividends paid</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-15,133</i>	<i>-15,133</i>	<i>0</i>	<i>-15,133</i>
<i>Employee option programme</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>23</i>	<i>0</i>	<i>0</i>	<i>23</i>	<i>0</i>	<i>23</i>
<i>Issue of shares</i>	<i>184</i>	<i>258</i>	<i>0</i>	<i>-258</i>	<i>0</i>	<i>0</i>	<i>184</i>	<i>0</i>	<i>184</i>
Total transactions with owners	184	258	1,285	-235	0	-16,418	-14,926	0	-14,926
Acquired through business combinations	0	0	0	0	0	0	0	127	127
Other adjustments	0	0	0	0	0	-146	-146	-36	-182
<b>Balance at 30.09.2014</b>	<b>60,716</b>	<b>258</b>	<b>2,495</b>	<b>0</b>	<b>-1,097</b>	<b>37,438</b>	<b>99,810</b>	<b>5,201</b>	<b>105,011</b>
<b>Balance at 01.01.2015</b>	<b>60,716</b>	<b>258</b>	<b>2,495</b>	<b>0</b>	<b>-1,420</b>	<b>41,816</b>	<b>103,865</b>	<b>5,339</b>	<b>109,204</b>
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>19,604</i>	<i>19,604</i>	<i>798</i>	<i>20,402</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>218</i>	<i>0</i>	<i>218</i>	<i>0</i>	<i>218</i>
Total comprehensive income for the period	0	0	0	0	218	19,604	19,822	798	20,620
<i>Increase of statutory reserve capital</i>	<i>0</i>	<i>0</i>	<i>1,079</i>	<i>0</i>	<i>0</i>	<i>-1,079</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Dividends paid</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-15,179</i>	<i>-15,179</i>	<i>0</i>	<i>-15,179</i>
<i>Employee option programme</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>247</i>	<i>0</i>	<i>0</i>	<i>247</i>	<i>0</i>	<i>247</i>
Total transactions with owners	0	0	1,079	247	0	-16,258	-14,932	0	-14,932
Other adjustments	0	0	0	0	0	2	2	79	81
<b>Balance at 30.09.2015</b>	<b>60,716</b>	<b>258</b>	<b>3,574</b>	<b>247</b>	<b>-1,202</b>	<b>45,164</b>	<b>108,757</b>	<b>6,216</b>	<b>114,973</b>

## Notes to the consolidated interim financial statements

### Note 1 Summary of significant accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 30 September 2015 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 27 October 2015.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2014 are available upon request from the Company's registered office at Pronksi 19, Tallinn and at the Company's website at [www.olympic-casino.com](http://www.olympic-casino.com).

#### Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended 31 December 2014.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014.

### Note 2 Seasonality of operations

Due to the slight seasonal nature of the gaming market, higher revenues are generated in the second half of the year. In the financial year ended 31 December 2014, 48% of the income from gaming transactions accumulated in the first half of the year, with 52% accumulating in the second half.

### Note 3 Investment property

	Land	Buildings	Total
As at 01 January 2015	172	120	292
Sales	-24	0	-24
As at 30 September 2015	148	120	268

### Note 4 Property, plant and equipment

	Land and buildings	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
As at 01 January 2015	24	8,974	15,996	1,763	7,611	34,368
Additions	0	1,506	3,871	365	12,929	18,671
Disposals	0	0	-95	0	0	-95
Write-offs	0	-79	-29	-22	0	-130
Reclassifications	0	1,185	796	243	-2,446	-222
Depreciation charge	-4	-2,027	-2,721	-642	0	-5,394
Exchange differences	0	7	-17	1	26	17
As at 30 September 2015	20	9,566	17,801	1,708	18,120	47,215

**Note 5 Intangible assets**

	Goodwill	Software and licences	Total
<b>As at 01 January 2015</b>	<b>36,847</b>	<b>1,198</b>	<b>38,045</b>
Additions	0	647	647
Reclassifications	0	222	222
Amortisation charge	0	-431	-431
Exchange differences	47	1	48
<b>As at 30 September 2015</b>	<b>36,894</b>	<b>1,637</b>	<b>38,531</b>

**Note 6 Borrowings**

	<u>30.09.2015</u>	<u>31.12.2014</u>
<b>Short-term borrowings</b>		
Current portion of a long-term bank loan	128	253
<b>Total short-term borrowings</b>	<b>128</b>	<b>253</b>
<b>Long-term borrowings</b>		
Non-current portion of a long-term bank loan	2,000	65
Non-current portion of a long-term loan	1,000	1,078
Other borrowings	106	73
<b>Total long-term borrowings</b>	<b>3,106</b>	<b>1,216</b>
<b>Total borrowings</b>	<b>3,234</b>	<b>1,469</b>

The Group have concluded the loan agreement with Banca Popolare di Milano with the due date of 31 March 2016. The annual interest rate is 3 month Euribor + 2.0%. The Group has received a loan from minority interest with the due date of 31 December 2017. The annual interest rate is 6 months Euribor + 2.0%. The Group have concluded the loan agreement with Swedbank with the due date of 31 August 2018. The annual interest rate is 6 months Euribor + 0.8%.

**Note 7 Equity**

The General Meeting of Shareholders held at 16 April 2015 decided to pay dividends to the shareholders of 0.10 euros per share in the total amount of 15,179,120.60 euros. Dividends were paid out to the shareholders on 4 May 2015.

**Earnings per share**

	<u>Q3 2015</u>	<u>Q3 2014</u>	<u>9M 2015</u>	<u>9M 2014</u>
Net profit for the period	7,804	6,916	19,604	17,220
Weighted average number of shares outstanding (in thousands)	151,791	151,791	151,791	151,791
Basic earnings per share (euro cents)	5.1	4.6	12.9	11.3
Diluted earnings per share (euro cents)	5.1	4.6	12.9	11.3

Basic earnings per share are calculated by dividing profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period. The calculation of diluted earnings per share also takes into consideration the share options granted to employees.

At 31 December 2014 share option agreements were concluded with Olympic Entertainment Group AS management board members and Group's key employees. According to concluded share option agreement management board member is eligible to subscribe to 100,000 Olympic Entertainment Group AS shares till the end of share option program; number of shares that can be subscribed by Group's key employees is individual. Exact number of shares that can be subscribed by each member of management board and key employee depends on fulfilment of Group's financial objectives and objectives connected with specific areas of responsibilities of each member of management board and key employee. The price for exercising the share option will be the nominal value of the share or the calculated value per one share. Options are conditional based on the 3-year employment relationship at the time of options realisation. Option holder has a right to subscribe for shares starting from 1 January 2018. Share option program ends 28 February 2018.

## Note 8 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 30 September 2015, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak, Belarusian and Italian markets.

All segments generate majority of their income from gaming transactions.

<b>Q3 2015</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	8,371	13,429	4,889	4,654	3,488	159	5,344	<b>40,334</b>
Gaming tax of Italy	0	0	0	0	0	0	-2,903	<b>-2,903</b>
Revenue	527	1,169	301	91	433	10	65	<b>2,596</b>
Inter-segment revenue	-94	0	0	0	0	0	0	<b>-94</b>
<b>External revenue</b>	<b>8,804</b>	<b>14,598</b>	<b>5,190</b>	<b>4,745</b>	<b>3,921</b>	<b>169</b>	<b>2,506</b>	<b>39,933</b>
Other external revenue	0	94	2	12	1	12	-8	<b>113</b>
<b>Total revenue</b>	<b>8,804</b>	<b>14,692</b>	<b>5,192</b>	<b>4,757</b>	<b>3,922</b>	<b>181</b>	<b>2,498</b>	<b>40,046</b>
<b>Total expenses</b>	<b>-7,858</b>	<b>-7,849</b>	<b>-4,622</b>	<b>-4,242</b>	<b>-3,875</b>	<b>-289</b>	<b>-2,530</b>	<b>-31,265</b>
Incl. Depreciation, amortisation and impairment losses	-511	-745	-281	-96	-272	0	-119	<b>-2,024</b>
<b>Total operating profit (-loss)</b>	<b>946</b>	<b>6,843</b>	<b>570</b>	<b>515</b>	<b>47</b>	<b>-108</b>	<b>-32</b>	<b>8,781</b>
<b>Q3 2014</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	7,632	11,836	5,316	5,183	3,477	453	4,072	<b>37,969</b>
Gaming tax of Italy	0	0	0	0	0	0	-2,187	<b>-2,187</b>
Revenue	483	1,038	307	86	437	30	49	<b>2,430</b>
Inter-segment revenue	-110	0	0	0	0	0	0	<b>-110</b>
<b>External revenue</b>	<b>8,005</b>	<b>12,874</b>	<b>5,623</b>	<b>5,269</b>	<b>3,914</b>	<b>483</b>	<b>1,934</b>	<b>38,102</b>
Other external revenue	1	7	0	13	1	15	0	<b>37</b>
<b>Total revenue</b>	<b>8,006</b>	<b>12,881</b>	<b>5,623</b>	<b>5,282</b>	<b>3,915</b>	<b>498</b>	<b>1,934</b>	<b>38,139</b>
<b>Total expenses</b>	<b>-6,339</b>	<b>-7,738</b>	<b>-4,589</b>	<b>-4,621</b>	<b>-3,914</b>	<b>-699</b>	<b>-2,105</b>	<b>-30,005</b>
Incl. Depreciation, amortisation and impairment losses	-328	-937	-356	-151	-295	-61	-97	<b>-2,225</b>
<b>Total operating profit (-loss)</b>	<b>1,667</b>	<b>5,143</b>	<b>1,034</b>	<b>661</b>	<b>1</b>	<b>-201</b>	<b>-171</b>	<b>8,134</b>
<b>9M 2015</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	24,954	37,389	15,080	17,779	10,336	616	15,845	<b>121,999</b>
Gaming tax of Italy	0	0	0	0	0	0	-8,680	<b>-8,680</b>
Revenue	1,582	3,262	899	321	1,390	40	166	<b>7,660</b>
Inter-segment revenue	-320	0	0	-16	0	0	0	<b>-336</b>
<b>External revenue</b>	<b>26,216</b>	<b>40,651</b>	<b>15,979</b>	<b>18,084</b>	<b>11,726</b>	<b>656</b>	<b>7,331</b>	<b>120,643</b>
Other external revenue	19	128	3	18	15	157	48	<b>388</b>
<b>Total revenue</b>	<b>26,235</b>	<b>40,779</b>	<b>15,982</b>	<b>18,102</b>	<b>11,741</b>	<b>813</b>	<b>7,379</b>	<b>121,031</b>
<b>Total expenses</b>	<b>-23,103</b>	<b>-23,596</b>	<b>-14,358</b>	<b>-16,254</b>	<b>-12,127</b>	<b>-1,075</b>	<b>-7,255</b>	<b>-97,768</b>
Incl. Depreciation, amortisation and impairment losses	-1,425	-2,170	-803	-442	-786	-1	-328	<b>-5,955</b>
<b>Total operating profit (-loss)</b>	<b>3,132</b>	<b>17,183</b>	<b>1,624</b>	<b>1,848</b>	<b>-386</b>	<b>-262</b>	<b>124</b>	<b>23,263</b>
<b>9M 2014</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	23,169	31,721	15,395	17,181	10,352	1,366	9,265	<b>108,449</b>
Gaming tax of Italy	0	0	0	0	0	0	-4,971	<b>-4,971</b>
Revenue	1,346	2,836	933	283	1,298	83	103	<b>6,882</b>
Inter-segment revenue	-263	-1	0	-2	0	0	0	<b>-266</b>
<b>External revenue</b>	<b>24,252</b>	<b>34,556</b>	<b>16,328</b>	<b>17,462</b>	<b>11,650</b>	<b>1,449</b>	<b>4,397</b>	<b>110,094</b>
Other external revenue	6	39	1	13	169	60	0	<b>288</b>
<b>Total revenue</b>	<b>24,258</b>	<b>34,595</b>	<b>16,329</b>	<b>17,475</b>	<b>11,819</b>	<b>1,509</b>	<b>4,397</b>	<b>110,382</b>
<b>Total expenses</b>	<b>-19,634</b>	<b>-22,671</b>	<b>-13,729</b>	<b>-15,359</b>	<b>-11,781</b>	<b>-1,922</b>	<b>-4,507</b>	<b>-89,603</b>
Incl. Depreciation, amortisation and impairment losses	-1,266	-2,429	-867	-505	-856	-80	-277	<b>-6,280</b>
<b>Total operating profit (-loss)</b>	<b>4,624</b>	<b>11,924</b>	<b>2,600</b>	<b>2,116</b>	<b>38</b>	<b>-413</b>	<b>-110</b>	<b>20,779</b>

**Note 9 Transactions with related parties**

For the purposes of these consolidated interim financial statements, related parties include:

- a) shareholders with significant influence;
- b) key management personnel (members of the Management Board and Supervisory Board of Group entities);
- c) close family members of and companies related to the above.

<u>Purchase of goods and services</u>	<u>9M 2015</u>	<u>9M 2014</u>
Shareholders with significant influence	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

As at 30.09.2015 and 31.12.2014, there were no balances of receivables and liabilities.

In 9 months 2015, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 620 thousand (EUR 623 thousand in 9 months 2014) and EUR 111 thousand (EUR 114 thousand in 9 months 2014), respectively.